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From:

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To:

Cc:

Subject: 7430(g) Question

If appeal rights are given prior to the stat notice then the TP must request a conference with Appeals prior to filing a petition with the tax court to exhaust administrative remedies.

If for varying reasons the TP is not given appeal rights prior to the stat notice then the TP is excused from exhausting administrative remedies prior to petitioning the tax court. However, if after filing a petition with the tax court counsel refers the case to Appeals or gives the TP the opportunity to go to Appeals then the TP must participate in an Appeals conference to exhaust administrative remedies.

Exhaustion of administrative remedies is a requirement to recover costs under 7430. Exhaustion is not a requirement to make a qualified offer although the TP may not recover costs pursuant to the qualified offer rule unless the TP has exhausted administrative remedies. So in reality exhaustion is a requirement although technically it is not.